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# Message Text

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22 10
ACTION EA-09

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-04 H-02

INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

AID-05 EB-07 CIEP-01 TRSE-00 STR-04 OMB-01 CEA-01

NSCE-00 SSO-00 USIE-00 INRE-00 /081 W
---------- 030450
O R 090911Z JAN 76
FM AMEMBASSY VIENTIANE
TO SECSTATE WASHDC IMMEDIATE 5920
INFO AMEMBASSY BANGKOK
AMEMBASSY PARIS
AMCONSUL HONG KONG
CINCPAC

C O N F I D E N T I A L VIENTIANE 0071

CINCPAC FOR POLAD

E.O. 11652: GDS
TAGS: PFOR, AFIN, LA, US
SUBJECT: FOLLOW-UP ON BANK ACCOUNTS PROBLEM

REF: A. VIENTIANE 0011 (021030Z JAN 76)
B. VIENTIANE 0014 (050312Z JAN 76)
C. VIENTIANE 0015 (050313Z JAN 76)
D. VIENTIANE 0054 (080445Z JAN 76), NOTAL
E. VIENTIANE 0071 (090906Z JAN 76)
F. STATE 005265 (090032Z JAN 76)

1. AS REFERENCES D AND E INDICATE, THE ONLY SIGNS OF SOME POSSIBLE MOVEMENT ON OUR BANK-ACCOUNT PROBLEMS HAVE COME FROM THE PRESIDENT OF THE NATIONAL BANK AND THE MINISTER OF FINANCE. WE THINK IT WOULD BE WISE TO FOLLOW UP AFTER A DECENT INTERVAL WITH THE PRESIDENT OF THE BANK RATHER THAN STIR UP THE FOREIGN MINISTRY (WHICH DOES NOT REALLY HAVE JURISDICTION) AT THIS POINT. IF IT DOES NOT APPEAR FAIRLY
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SOON THAT THE NATIONAL BANK APPROACH WILL GENERATE SOME

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MOVEMENT, THEN OBVIOUSLY WE SHALL HAVE TO APPROACH PHOUNE
OR NOUPHANH.

2. WE THINK WE SHOULD TRY TO GET SOME MOVEMENT ON THE BANK-
ACCOUNT PROBLEM BEFORE GIRDING FOR A DISCUSSION OF COM-
POUNDS AND OTHER RELATED MATTERS. AN ACCEPTABLE SOLUTION TO
THE BANK ACCOUNTS PROBLEM WOULD READILY LEAD US INTO DIS-
CUSSION OF THE OTHER MATTERS. A PREMATURE CONFRONTATION ON
THE OTHER MATTERS MIGHT WELL, WE THINK SPOIL ANY PROSPECTS
FOR MOVEMENT ON THE BANK ACCOUNTS.

3. WE DO NOTTHINK THAT ANYTHING KAYSONE, PHOUNE OR NOUPHANH
HAS SAID ABOUT GOOD RELATIONS FORESHADOWS ANY SWEEPING
TRANSFORMATION OF OUR SITUATION HERE. WE FORESEE ON THE
CONTRARY A CONTINUED STRUGGLE IN WHICH WE ATTACK OUR PROBLEMS
ONE AT A TIME, GIVING PRIORITY TO THOSE CONCERNING WHICH WE
HAVE SOME INKLING OF POSSIBLE SUCCESS.

4. ONE THING WE THINK WE SHOULD BE VERY CAREFUL ABOUT IN
DEALING WITH OUR PRESENT INTERLOCUTORS IS IMPLYING THAT
WE MIGHT TAKE "RETALIATORY ACTION" UNLESS WE REALLY MEAN IT.

5. KIP SUPPLY SITUATION HAS CHANGED IN LAST FEW DAYS, VOIDING
PREVIOUS ESTIMATE (VIENTIANE 6685, DECEMBER 30). THROUGHT
VARIOUS LOCAL ACQUISITIONS, OUR SUPPLY HAS GROWN TO LEVEL
THAT SHOULD CARRY US THROUGH MID-OR LATE FEBRUARY.

6. EVEN IF THAT WERE NOT THE CASE, WE DO NOT BELIEVE THAT
EXERCISE OF OPTION TO PURCHASE KIP FOR TREASURY CHECK FROM
NATIONAL BANK WOULD IN ANY SENSE WEAKEN OUR POSITION. WE HAVE
ALREADY TOLD THE LAO WE MIGHT DO SO. (WHERE WE HAVE TAKEN
A FIRM STAND, UNDER WASHINGTON INSTRUCTIONS WITH WHICH
WE OF COURSE AGREE, IS IN REJECTING PDRL'S STRONG AND "URGENT"
RECOMMENDATION -- REPORTED IN VIENTIANE 6671 -- THAT WE OPEN A
NEW ACCOUNT WITH "NEW MONEY" AT THE NBL WHILE QUESTION OF
EXISTING ACCOUNTS REMAINS UNRESOLVED; TO RETREAT FROM THAT
POSITION WOULD RPT WOULD UNDERMINE OUR OVER-ALL POSTURE AND
WOULD BE MOST UNWISE.)
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# Message Attributes

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**Subject:** FOLLOW-UP ON BANK ACCOUNTS PROBLEM
**TAGS:** PFOR, AFIN, EAID, LA, US
**To:** STATE
**Type:** TE
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